Chapter 1 - Recording Real Property in the RPI

Introduction
Recording real property in the RPI

Recording Real Property in the RPI covers the following topics:

A. RPI Data Descriptions
B. Capitalization Exclusion Definitions
C. Components of Recorded Cost
D. Changes to Existing Assets
E. Capitalization Criteria
F. Real Property Project Costs

A. RPI Data Descriptions

Introduction
RPI data definitions

The following policies and processes will help determine asset categories and illustrate how to complete the appropriate Real Property Inventory (RPI) information. For specific field definitions, instructions, and examples, go to *RPI Data Screens*, 15.

RPI Data Descriptions

Acquisition Type (ACQTYPE)

The Acquisition Type (ACQTYPE) field indicates how real property is conveyed to Service ownership, management, or use. The Regional office (RO) can enter and modify the field. Acquisition and disposal types include the following real property types:

- Constructed
- Donated
- Donated with land
- Exchanged
- Jointly funded
- Leased
- Leasehold improvement
- Purchased
- Purchased with land
- Service managed not Service owned
- Transferred from Federal entity
- Transferred from Federal entity with land
- Withdrawn

ACQTYPE Constructed

The Constructed ACQTYPE specifies assets built by the Service using Service funds to pay for construction, or an asset was built for the Service and paid for by another Federal agency using its own funds.

ACQTYPE Donated

The Donated ACQTYPE identifies assets received from nonFederal agencies such as tribal and State governments, nonprofit organizations, or private concerns. Donations cannot be

made from another Federal agency. There are two forms of donation: An asset is identified as part of a land donation, or an asset built for Service and is paid by nonFederal agencies such as nonprofit organizations volunteers and Friends groups. If an asset is donated, indicate the Fair Market Value (FMV) or reasonable estimate of the construction at the time the Service acquired the asset. To be a donation, the asset must be completely free to the Service. If the Service participated in the construction or contributed resources for any part of the asset, see *ACQTYPE Jointly Funded* as shown below; and *Jointly Funded Assets*, 60.

ACQTYPE Donated with Land

The Donated with Land ACQTYPE identifies assets that are in place when stewardship land is acquired through a donation. For example: water control structures and buildings. To be capitalized, the asset must meet the capitalization threshold and not be considered incidental to the land acquisition. A Service real property asset is excluded from capitalization if it meets one or more of the following conditions:

1. The asset is a permanent improvement to stewardship land. See *Stewardship Assets*, 63.
2. The FMV of the asset at the time of acquisition is less than 15% of the value of the acquired land.
3. The asset is not separately listed on the acquisition agreement.
4. The asset is a road or bridge.
5. The asset is not used or is used infrequently to support Service operations.
6. The asset is scheduled for disposal or demolition.

ACQTYPE Exchanged

The Exchanged ACQTYPE identifies assets that the Service received in trade for another real property asset. Exchanges need to include any deletions of assets that were on the property and exchanged by the Service. The recorded cost is the Fair Market Value (FMV) of the surrendered asset at the time of exchange. Use the FMV found in the appraisal accompanying the warranty deed.

If the market value of either asset is not reasonably determined, use the Net Book Value (NBV) of the asset surrendered as the recorded cost. If there is cash consideration paid or received as part of the exchange, the recorded cost of the asset should be increased if cash as paid or decreased if cash received, if that cash transaction resulted from the real property (improvement) asset.

If land is exchanged, the RPI records from the "old" property should be deleted and the assets obtained through the "new" property should be added as new records.

ACQTYPE Jointly Funded

The Jointly Funded ACQTYPE identifies assets that are built for the Service using a combination of Federal funding (Service or other) and nonFederal funding sources to pay for construction and/or purchase costs. The recorded cost of these assets must be an approximation of FMV.

☞ Since they are newly constructed, the assumption is that the FMV approximately equals the construction cost. A combination of source documents and estimation techniques will be necessary to determine the acquisition/construction cost.

For Service costs and costs incurred by other Federal agencies, the standard Service construction completion reports with supporting documents should be obtained. For other contributors, the preferred documentation is the partners' internal cost reports, including labor, contract, and material costs. If there is no documentation available from other contributors, and their contribution is similar to the Service effort, internal Service costs may be extrapolated as representative of partners' costs.

☞ As a last resort, engineering cost estimates may be used. The FWS Acquisition and Replacement Cost Estimate Worksheet is available in *Appendix 4*, 140.

ACQTYPE Leased

The Leased ACQTYPE identifies assets that belong to a non-Service entity and are leased for Service use. Property leased through GSA is not reported in the RPI. However, if the Service rents property directly from a vendor, without GSA's involvement, the property is reported in the RPI. Leases that meet the criteria for capital leases should be included in this acquisition type.

☞ The BFO should be notified of all capital leases.

ACQTYPE Leasehold Improvement

Leasehold improvements are modifications to existing leased real property that extend its useful life by 2 years or more, or will improve the property's capacity, or otherwise upgrade the property to serve needs that are different from those originally included. Leasehold improvements are capitalized if they meet the Service's capitalization threshold. Leasehold improvements include build-outs of leased office space. They do not include buildings constructed on leased land. These should be recorded in the RPI using the ACQTYPE Constructed.

ACQTYPE Purchased

The Purchased ACQTYPE identifies assets that are procured through a purchase order or other type of purchase method for use by the Service. The Service purchases the asset and begins using it upon receipt or after minor installation procedures. If substantial installation costs are incurred, the asset should be considered a constructed asset. An example of a purchased asset is an above ground fuel tank. A Butler building is not an example of a purchased asset because it requires considerable assembly.

ACQTYPE Purchased with Land

The Purchased with Land ACQTYPE identifies assets that are in place when stewardship land is acquired through a purchase transaction. For example: water control structures and buildings. To be capitalized, the asset must meet the capitalization threshold and not be considered incidental to the land acquisition. A Service real property asset is excluded from capitalization if it meets one or more of the following conditions:

1. The asset is a permanent improvement to stewardship land. See *Stewardship Assets,* .63
2. The FMV of the asset at the time of acquisition is less than 15% of the value of the acquired land.
3. The asset is not separately listed on the acquisition agreement.
4. The asset is a road or bridge.
5. The asset is not used or is used infrequently to support Service operations.
6. The asset will be disposed or demolished.

ACQTYPE Service managed, Not Service owned

The Service managed not Service owned ACQTYPE identifies assets that are owned by another entity, but used in Service operations. These assets are included in the RPI for maintenance purposes, but are excluded from capitalization because they are not owned by the Service. To meet this definition, the field station must have authorized a formal agreement between the two entities acknowledging responsibility for maintenance and repairs. If a formal written agreement is not in place, such as an MOU or MOA, the asset should not be entered into the RPI.

ACQTYPE Transferred from Federal Entity

The Transferred from Federal Entity ACQTYPE identifies assets that were previously listed on another Federal agency's real property records and have been formally transferred to the Service under a transfer order. Before a Federally transferred asset is entered into the RPI, it

is imperative that the Regional BFO has determined that the asset is deleted from the other agency's balance sheet and real property records.

For non-DOI agencies the recorded cost of the transferred asset is the NBV on the transferring agency's books at the time of transfer. If the NBV cannot be reasonably determined, the Regional BFO should obtain the original cost and construction year to compute the NBV. If that information is not available, the FMV should be determined. Lastly, the FWS Acquisition and Replacement Cost Estimate Worksheet may be used. See *Appendix 4*, 140.

For DOI agencies, the BFO should obtain and provide to the FC, the original acquisition cost and the accumulated depreciation for elimination purposes.

ACQTYPE Transferred from Federal Entity with Land

The Transferred from Federal Entity with Land ACQTYPE identifies assets that are in place when stewardship land is acquired through a transfer from a Federal entity. For example: water control structures and buildings. To be capitalized, the asset must meet the capitalization threshold and not be considered incidental to the land acquisition. A Service real property asset is excluded from capitalization if it meets one or more of the following conditions:

1. The asset is a permanent improvement to stewardship land. See *Stewardship Assets*, 63.
2. The FMV of the asset at the time of acquisition is less than 15% of the value of the acquired land.
3. The asset is not separately listed on the acquisition agreement.
4. The asset is a road or bridge.
5. The asset is not used or is used infrequently to support Service operations.
6. The asset is scheduled for disposal or demolition.

For non-DOI agencies the recorded cost of the transferred asset is the NBV on the transferring agency's books at the time of transfer. If the NBV cannot be reasonably determined, the Regional BFO should obtain the original cost and construction year to compute the NBV. If that information is not available, the FMV should be determined. Lastly, the FWS Acquisition and Replacement Cost Estimate Worksheet may be used. See *Appendix 4*, 140.

For DOI agencies, the BFO should obtain and provide to the FC, the original acquisition cost and the accumulated depreciation for elimination purposes.

ACQTYPE Withdrawal

The Withdrawal ACQTYPE identifies land that is withdrawn from the public domain and it may contain real property assets such as buildings. Withdrawn land never loses its withdrawn status. Since Bureau of Land Management (BLM) controls all government-owned public domain land, contact should be made with BLM to determine the NBV of the withdrawn assets. If the withdrawn land is retransferred to FWS from another agency, the NBV should be obtained from that agency. If the secondary agency did not record the asset on their balance sheet, BLM may be an alternative source for NBV.

Acquisition Cost (previously OriginalCost)

The Acquisition Cost field indicates the cost for the Service to purchase, construct, or acquire the asset. All newly acquired assets must have an acquisition cost and date. This field affects the depreciation of property. The acquisition cost field should be left blank or be $0 only under specific conditions relating to capitalized exclusion reasons. See *B. Capitalized Exclusion Definitions*, 29.

Acquisition cost may be left blank for a newly discovered assets under the following conditions:

- A road or bridge is acquired with stewardship land.
- Permanent improvements to stewardship lands: canals, low hazard dams, levees/dikes, drainage ditches (earthen), nesting islands, roads (dirt), unpaved trails, beaches, and water impoundments.
- Historical/heritage assets.
- Service managed not Service owned.
- Assets under construction (CWIP).
- Newly discovered assets below the materiality threshold.

If an asset is donated, enter the Fair Market Value (FMV) when the Service originally obtained the asset. If the asset is transferred from another Federal agency, use the Net Book Value (NBV) data field indicating transferring agency's NBV at the time of transfer. RO can enter and modify this field.

Acquisition Date (ACQDATE)

The Acquisition Date field indicates the date in mm/dd/yyyy format when constructed or transferred property was officially conveyed to Service ownership, management, or use per documentation. For constructed assets, the Acqdate is when the asset is beneficially occupied, or otherwise available for use, even though not all requirements attendant to the construction project have been fulfilled, such as receipt of a certificate of occupancy, closeout of construction contracts, or final payments to contractors. The acquisition date is used for financial reporting to determine the date that depreciation calculations begin. Only the RO can enter and modify this field.

Asset Code

The Asset Code field indicates the eight-digit code established by the Department of the Interior (DOI). The approved list groups similar assets for standard asset measurement and reporting. The field is automatically populated.

Asset Number (ASSETNUM)

The Asset Number field indicates the number assigned to a unique real property item owned or leased directly (not through GSA) by the Service. Property numbers will not be reused after disposal of an item. New property records will have the next available property number assigned by the database. New construction projects should have an asset number assigned at the beginning of the construction phase.

☞ A subasset record appended to the asset number indicates a capitalized improvement and signals the Regional BFO and FC to complete an analysis regarding the treatment for depreciation. The database assigns subasset records automatically after the BFO's office designates the subassets.

Asset Type

The Asset Type field indicates the primary facility type asset selected from the DOI list. See *Appendix 2: DOI Standard Asset List and Definitions*, 123. An asset type change may indicate a change in the life cycle accumulated and forward depreciation treatment. The field station can enter this field initially and RO can modify the same field.

Capitalize Exclude

The Capitalize Exclude field indicates the application of 13 accounting filters specifying the appropriate reason an item is not capitalized. Only RO can enter and modify this field. See *B. Capitalized Exclusion Definitions*, 29.

Construction Year (CONYEAR)

The Construction Year field indicates the year a Service asset was originally constructed, regardless of who built the asset. When assets were constructed by or for the Service, the acquisition date should be the same as the construction year. For a donation, the date should be the approximate year the asset was constructed. The field station can enter this field originally and RO can modify the same field.

Cumulative Cost	See *Recorded Cost*, 14.
Demolish	The Demolish field indicates an asset has no functional use and should be demolished. RO and the field station can enter and modify this field.
Disposal Date (DISPOSDATE) (Previously Disposal Year)	The Disposal Date field indicates the property disposal date (when the asset was physically demolished) in mm/dd/yyyy format. RO and the field station can enter and modify this field.
Disposal Type (DISPOSTYPE)	The Disposal Type field indicates the method by which the property was disposed. Examples of disposal types include: bid sale, exchange, revocation of withdrawal, transfer to nonFederal, transfer to Federal, and demolish. RO and the field station can enter and modify this field.
Improvement Costs (Previously Fix Year Costs)	The Improvement Costs field indicates the cost of any addition or improvement of an existing asset that either materially extends the useful life of the asset or enlarges or improves its capacity. The cost of the addition or improvement is depreciated/amortized over the remaining useful life of the asset, if it exceeds the capitalized threshold. The analysis will be performed by the Division of Financial Management staff. If the improvement does not meet the capitalization threshold for that property type, it should be expensed in the period the improvement cost was incurred but recorded as a subasset to update the asset's recorded cost. An example of an appropriate improvement cost is expanding an existing building, such as adding a wing. Rather than issuing a new asset number for a capitalized improvement cost, a subasset number record should be recorded. Expenditures relating to an asset that do not extend the useful life or increase the capacity of the asset should not be capitalized regardless of whether the cost meets the capitalization threshold. Only RO can enter and modify this field.
Improvement Date	The Improvement Date field indicates the date each improvement is completed in mm/dd/yyyy format. RO can enter and modify this field.
Improvement Description	The Improvement Description field indicates a unique, concise, informative description of each individual improvement.
Mark for Deletion (markfordelete)	The Mark for Deletion field indicates the field station no longer has the property item and it should be removed from the RPI database. Reasons to mark for deletion include, but are not limited to, removing an asset due to salvage, demolish, bid sale, exchange, or for administrative reasons such as a record is incomplete and the record is unable to be corrected. It is imperative that all records with financial data are thoroughly reviewed before deletion. RO and the field station can enter and modify this field. However, before entering the data, check with the Regional BFO to ensure that the action is not retired, which is a different accounting treatment. See *Retired*, 14.
Net Book Value (NBV)	Net Book Value (NBV) is the value entered into the Acquisition Cost data field, which indicates the net of the acquisition cost less any applicable accumulated depreciation. NBV is used as recorded cost of an asset formally transferred to the Service from a Federal entity that was previously listed in another Federal agency's real property records. When entering a Federally transferred asset into the RPI, it is imperative that the Regional BFO determines that the asset has been deleted from the other agency’s balance sheet. RO can enter and modify this field.

☞A transferring entity determines the NBV or the BFOs calculate the NBV.

Organization Code (ORGCODE)

The Organization Code field indicates the five-digit numeric code assigned by the Division of Financial Management (DFM) to the station's organizational unit.

Property Description (PROPDESC)

The Property Description field indicates a unique, concise, informative description, which makes each individual asset easily recognized.

Plant, Property, and Equipment (PP&E) Type

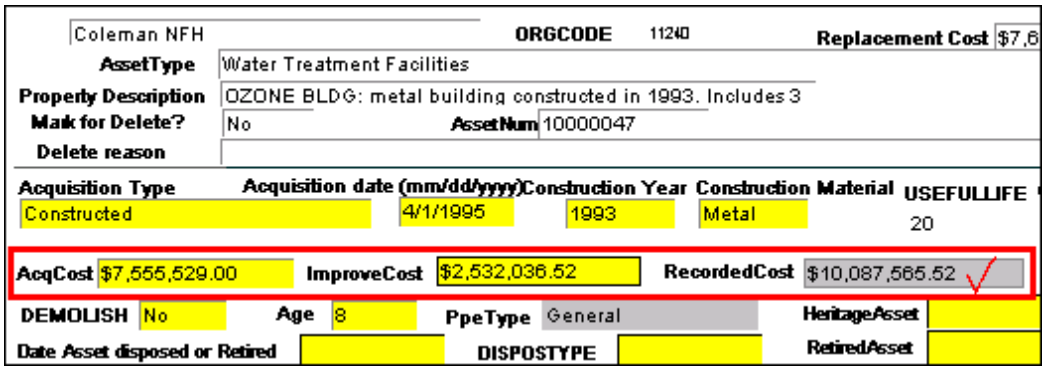
The Plant, Property and Equipment (PP&E) Type field indicates either the general or stewardship PP&E type. General PP&E consists of tangible assets that meet all of the following criteria:

1. Has an estimated useful life of 2 years or more,
2. Is not intended for sale in the normal course of operations,
3. Is acquired or built with the intention of being used by the Service,
4. Has an acquisition cost, or when applicable, a NBV or FMV that exceeds the applicable Service capitalization threshold, and
5. Does not qualify as a stewardship asset.

A stewardship asset can be a heritage asset, stewardship land, or an asset acquired incidental to a stewardship land acquisition. Heritage assets are unique because of their historical or natural significance, cultural, education or artistic importance, or significant architectural characteristics. Heritage assets are expected to be preserved indefinitely. Stewardship land is land not acquired for, or in connection with, general PP&E. It includes all land, land rights, and improvements to land in the NWRS and NFHS other than that used for the construction of general PP&E (e.g., administrative buildings). The field is automatically populated. See *Stewardship Assets*, 63.

Recorded Cost (Previously Cumulative Cost)

The Recorded Cost field automatically calculates the total of the acquisition cost or FMV/NBV plus recorded improvement costs.



Retired

The Retired field indicates that an asset has no functional use and should be retired from service. A retired asset is an asset that is no longer used in Service operations but has not been destroyed or otherwise disposed and may be brought back into use. RO can enter and modify this field. Retired assets are excluded from financial records but remain in the RPI.

Subasset Number

Subasset number is a unique identifying number appended to an asset number that indicates an improvement to the asset. The subasset signals the Regional BFO and FC to complete an analysis regarding the treatment for depreciation. This field is automatically populated.

Useful Life (USEFULLIFE)

The Useful Life field indicates the period of time over which an asset is expected to remain economically functional. For new assets, the field is pre-determined based on asset type. For used assets or improvements (not new), this field requires a unique estimate by the Regional BFO/ or FC.

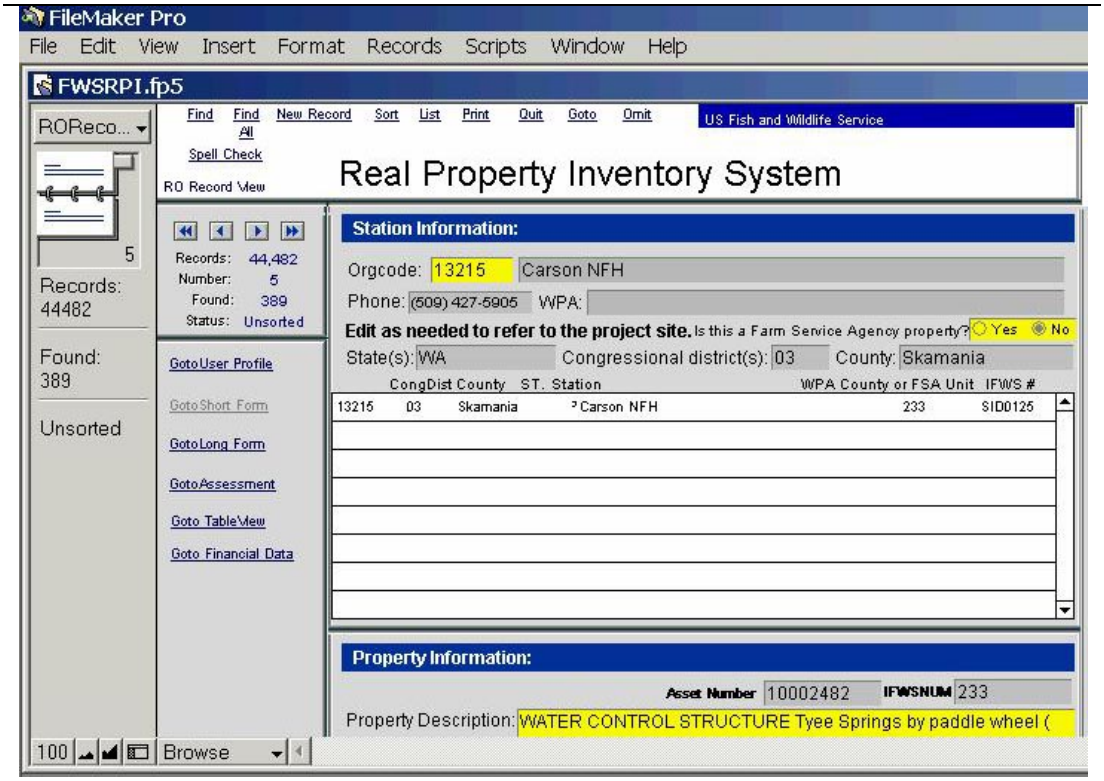
RPI Data Screens

Introduction
The RPI financial data screens

The Real Property Inventory (RPI) is designed to provide field stations an automated mechanism for maintaining up-to-date information concerning real property assets. Information from this database will be used to meet GSA 1166 requirements and for financial and program audits.

Detailed information on each RPI data field is presented as follows:

GUIDANCE
The RPI screen: Station Information section



Station Information Section

This section of the RPI Station Information screen provides field definitions, instructions, and examples of how each field is to be populated.

☞ Use the actual location (headquarters or satellite) of the asset to determine the correct information for each field.

Orgcode

Organizational code is a five-digit code assigned by DFM for the station organizational unit. Example: 21543.

Station

Official station name is used as determined by the Division of Realty. Example: Brazoria NWR.

HQ OrgCd

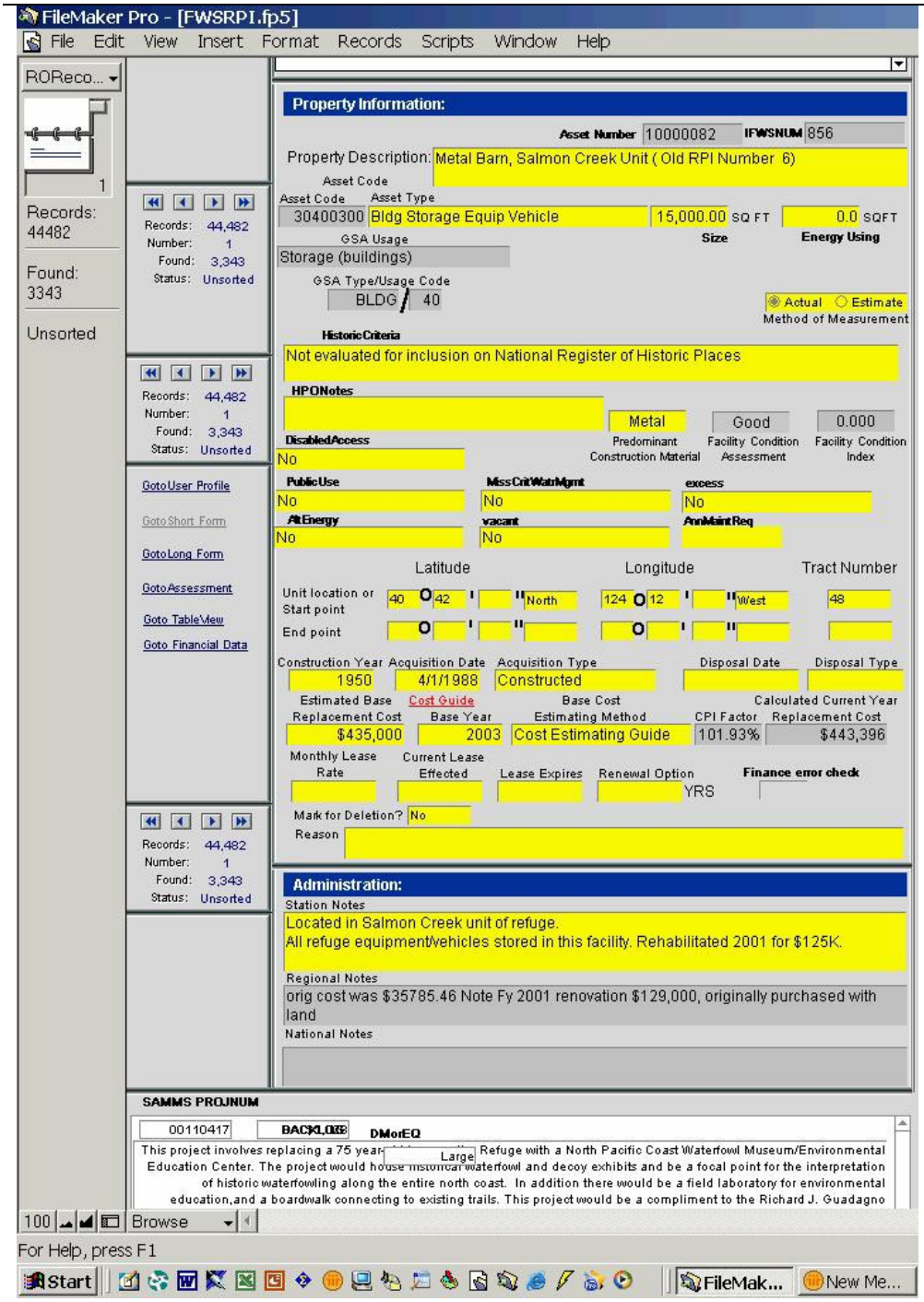
This field identifies the Headquarters Organizational Code. Example: 11240.

Phone

This field provides the station's telephone number. Example: (409) 849-7711.

WPA	If the asset is WPA related, provide the name of the specific WPA project/program.
Program	This field identifies the type of the program. Example: NFHS.
Farm Service Agency Property	The asset has to be specified whether or not it is a Farm Service Agency property. Example: Select "Yes" or "No."
State(s)	This field identifies the State in which the particular real property item is situated. Example: TX.
Congressional District(s)	This field identifies the congressional district where the station is located. Example: 14.
County	This field identifies the primary county/parish where the building/structure is located. Example: Brazoria.

GUIDANCE
The RPI screen: *Property Information* section



Property Information Section

This section of the RPI Property Information screen provides field definitions, instructions, and examples of how each field is to be populated.

GSANUMB

The General Service Administration (GSA) number identifies the installation headquarters location and parts of the installation located separately from headquarters. Example: 0915200.

SAMMS Asset Number (Service Asset Maintenance Management System)	SAMMS number is assigned to a particular real property item owned or leased directly (not through GSA) by the Service. Property numbers will not be reused after disposal of an item. New property records will have the next available property number assigned by the database. New construction projects should have an asset number assigned at the beginning of the construction phase. ☞ A subasset number appended to the asset number indicates a capitalized improvement and signals the Regional BFO and FC to complete an analysis regarding the treatment for depreciation. The database assigns asset numbers automatically.
IFWSNUM	The Identification Fish & Wildlife Service (IFWS) number is a unique alphanumeric code assigned by the Washington Office, Division of Realty, to identify an area over which the Service has obtained some type of jurisdiction. Example: 768.
Property Description	An accurate description of the property is expected. This description needs to be complete and concise so that it can be located by any field station personnel. The space limitation is 200 characters. If there are two facility types, for example, a dike with a water control structure, there must be two records. However, if the water control structure cost less than $5,000, then it must be mentioned in the Property Description field and a note placed in the Station Notes field stating that the asset is below $5,000.
Code	Refer to the DOI Asset List and select the most appropriate code for the asset. If an asset has two assets (dike with water control structure), and each has a value of more than $5,000 for replacement, then it is required to have a separate RPI record for each asset. If one of the assets is below $5,000, then it must be mentioned in the Property Description field and a note placed in Station Notes field stating that the asset is below $5,000. The category section will identify measurement requirements needed for accurate input in the RPI database.
Primary Facility Type	This field specifies the main facility type of the asset. Example: Water control structures.
Primary Facility Size	The facility size uses size measurement requirement such as, linear feet, square feet, etc., depending on the asset code chosen. Actual measurement or the use of drawings, maps, etc., is recommended to ensure accuracy. All new assets require actual measurement. The size may be corrected after final submission of the record. Acceptable documents are drawings, maps, GPS data or field measurements of the asset. Some records will require a separate entry, for example, a building will require square feet and energy usage data to be entered, or a bridge will require the size in linear feet as well as opening width.
Energy Using	Energy information is required for all buildings. Electrical lighting is excluded. If the utility (heating and/or air conditioning) is paid by the resident, enter “0”; if paid by the station, enter the applicable square feet for the heated/cooled area.
GSA Usage	This field identifies the predominant use of the asset. Example: Reclamation and Irrigation.
GSA Type	This field identifies the type of asset using the GSA standard asset list. Example: Building
Usage Code	This field identifies the portion of the GSA code specific to the asset type. Example: 50
GSATYPECODE	This field identifies the full GSA code for the asset type. Example: 3050

Method of Measurement	This field indicates whether the field measurement is an estimate or the result of a physical measurement taken during a site visit. Example: Actual
Historic Criteria	This field identifies whether the asset is historic and if so, by what standard criteria. Example: Historical Structure (listed on the National Register of Historic Places)
Predominant Construction Material	Primary construction material used for the asset may include asphalt, concrete, earth, gravel, masonry, metal, wood, or other. If "Other" is used, annotate the materials used in the property description. Example: Concrete.
Facility Condition Assessment	This field identifies the Facility Condition Index (FCI) resulting from a completed condition assessment. This information is carried over from the Condition Assessment screen and includes ratings of “Good, “Fair” and “Poor.” Example: Good
Facility Condition Index	This field identifies the numeric Facility Condition Index (FCI) calculation resulting from a completed condition assessment. This information is carried over from the Condition Assessment screen. A Facility Condition Index (FCI) will be automatically calculated for each asset with a replacement cost greater than $50,000. This is the ratio of the total deficiencies divided by the current replacement cost. FCI is a calculated indicator of the depleted value of facilities. An FCI < 0.05 is good; an FCI 0.05 to 0.10 is fair; an FCI> 0.10 is poor. Example: 0.090
DisabledAccess	This field indicates if the asset is accessible to the disabled community. Example: Yes
HPONotes	Area for comments from the Historic Preservation Officer (HPO). Example: Last survey completed 4/20/02.
PublicUse	This field identifies whether the asset is available for public use. Example: No
MssCritWatrMgmt	This field identifies if the asset is a mission critical water management asset. Example: No
Excess	This field identifies if the asset is Service excess property. Example: No
AltEnergy	Indicates if the asset uses an alternative energy resource. Example: No
Vacant	This field identifies if the asset is vacant. Example: No
AnnMaintReq	This field identifies if the asset requires annual maintenance. Example: No
Unit Location or Start Point: Latitude	GIS data for the start point of the latitude.
Unit Location or Start Point: Longitude	GIS data for the start point of the longitude.
Unit Location or Start Point: Tract Number	GIS data for the start point of the tract number.

End Point Latitude	GIS data for the end point of the latitude.
End Point Longitude	GIS data for the end point of the longitude.
End Point Tract Number	GIS data for the end point of the tract number.
Construction Year	When an asset was constructed by or for the Service, the acquisition date should be consistent with the construction year. For a donation, the date should be the approximate year that the asset was constructed. The field station enters this field originally, and RO can modify the same field. Enter the four-digit year of the construction that can be supported with documentation. Documentation may include contracts, invoices, payments, construction acceptance reports, dated photographs, newspaper articles, dated maps, etc. If no construction year information can be found, a "0" must be entered.
Acquisition Date	Acquisition date is when the asset was actually acquired and/or placed in service by the Service with supporting documentation. This format is month/day/year. (mm/dd/yyyy). See *A. Stewardship Assets*, 63. If assets are identified and can not be located in the RPI, contact the BFO for assistance.
Acquisition Type	One of the following acquisition types must be used with supporting documentation: • Constructed • Donated • Donated with land • Exchanged • Federal transfer with NBV below capitalization threshold • Jointly funded • Leased • Leasehold improvement • Purchased • Purchased with land • Service managed not Service owned • Transferred from Federal entity • Transferred from Federal entity with land • Withdrawn
Disposal Date	This field displays the property disposal date in mm/dd/yyyy format from the DI 103A. Effective 04/01/2004, all data previously entered into the Disposal Year field will be systematically converted to the date format. RO can enter and modify this field. Example: 06/28/2004.
Disposal Type	This field displays the method by which the property was disposed. Examples of disposal types include: bid sale, exchange, revocation of withdrawal, transfer to nonFederal, transfer to Federal, and demolish. RO can enter and modify this field.
Estimated Base Replacement Cost	This is defined as the cost required to replace an existing asset, including costs associated with code compliance, without modification or improvement to existing functionality. Replacement cost should be calculated using the following order of priority:

1. A calculation involving an inflation adjustment to the recorded cost of the asset.
2. A calculation involving an inflation adjustment for the acquisition cost of a recently acquired asset with an identical asset type, comparable size, quality and capacity, in the same geographical location.
3. In the absence of acquisition cost data, use the *FWS Acquisition and Replacement Cost Estimate Worksheet*, 140.

If an asset is going to be demolished or replaced, and has a demolition cost of over $5,000, the replacement cost is to be the total cost of demolition. For example, during a land purchase when numerous assets are going to be demolished (foundations, buildings, fence, etc.), they may be combined into one record, with the replacement cost being the cost of demolition for all assets listed in that record. If a structure is to be replaced, an individual record is required along with the replacement cost for the same asset identified.

Base Year

The year the estimate was made is the base year and should be the year of record entry.

Base Cost Estimating Method

Cost estimating guide and manager's estimates are not authorized for use in new records. One of the following must be used with appropriate backup documentation.

- **Actual Cost** – This is the preferred method and required for all new assets entered into the RPI that have been constructed or purchased. Documents are required.
- **Appraisal** – Documents are required.
- **Engineering Estimate** – Documents are required.

☞ Construction contracts, appraisals, contractor invoices, and other independent party (equally defendable) documentation from the field are accepted. Cost guide and manager's estimates are not authorized for new records in this database.

CCI

Construction Cost Index (CCI) is a quarterly 30-city market basket analysis of the most commonly used construction materials, labor trades and construction equipment.

Calculated Current Year Replacement Cost

The dollar amount in this field is carried over from the Condition Assessment screen. This value is calculated using the following order of priority (example: $15,500):

1. A calculation involving an inflation adjustment to the recorded cost of the asset.
2. A calculation involving an inflation adjustment for the acquisition cost of a recently acquired asset with an identical asset type, comparable size, quality and capacity, in the same geographical location.
3. In the absence of acquisition cost data, use the *FWS Acquisition and Replacement Cost Estimate Worksheet*, 140.

Monthly Lease Rate

This field indicates the monthly lease rate.

Current Lease Effected

This field indicates the date that the current lease was issued. This format is month/day/year. (mm/dd/yyyy) Example: 04/04/2002

Lease Expires

This field indicates the date that the lease is scheduled to expire. This format is month/day/year. (mm/dd/yyyy) Example: 04/04/2001

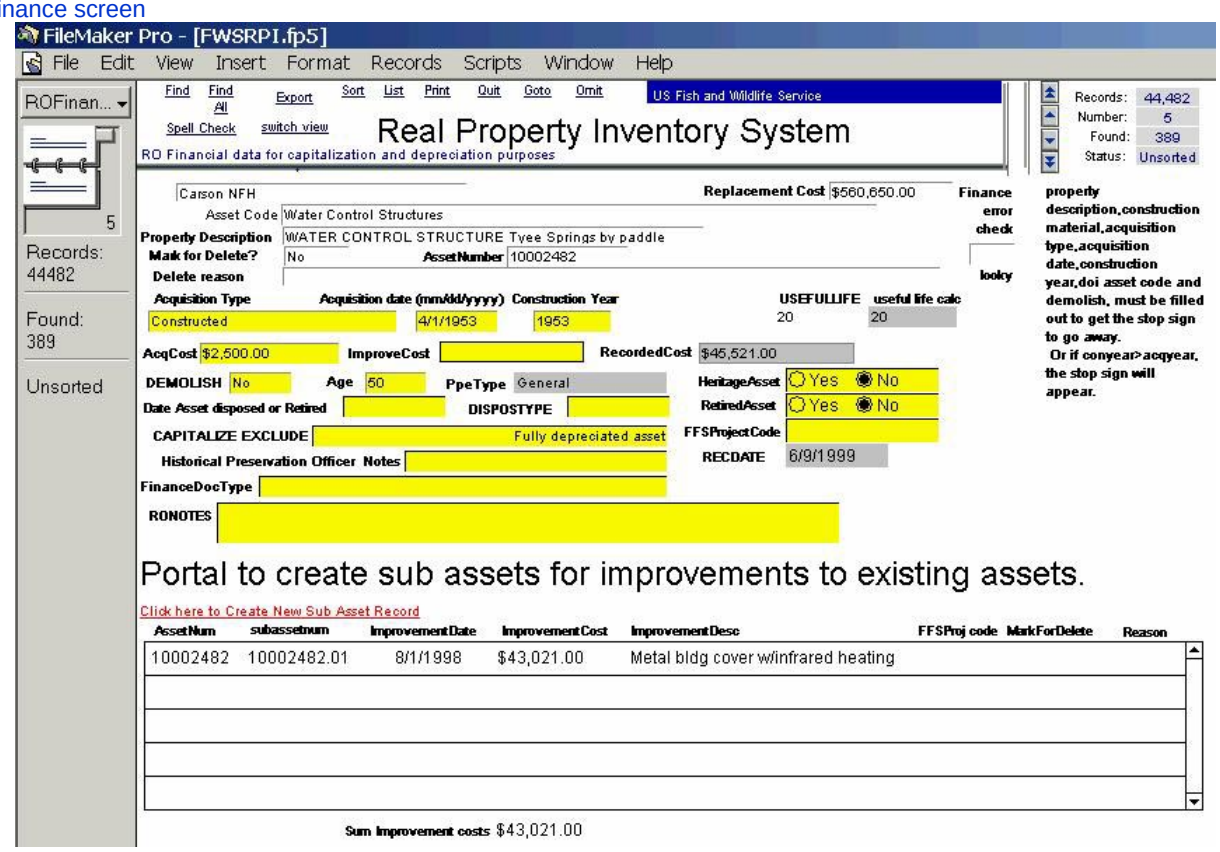
Renewal Option (YRS)

This field indicates the number of renewal option years. This is a numeric field. Example: 4

Mark for Deletion	This field indicates if the asset should be removed from RPI records. Example: Yes ☞ Stations and Regions may not delete records of disposed property. If property has been disposed, mark the record for deletion and provide an explanation. Prior to actual deletion, the Washington Office will provide to the Regions a list of proposed deletions for review by FMCs and BFOs. Once approved, the Washington Office will delete the record.
Reason	An explanation is required for each asset marked for deletion from the RPI. Example: Building demolished in 2003 after coordination with State Historic Preservation Office.

GUIDANCE

The RPI Finance screen



RPI Finance Information	This section of the RPI Finance screen provides field definitions, instructions, and examples of how each field is to be populated.
Station	Official station name as determined by the Division of Realty. Example: Brazoria NWR.
ORGCODE	ORGCODE is the five-digit code assigned by DFM for the station organizational unit. Example: 21543.
Replacement Cost	Acquisition value inflated to present day value, or more specifically, the current cost required to replace an asset, including costs associated with code compliance, without modification or improvement to existing functionality. Replacement cost should be calculated using the following order of priority: 1. A calculation involving an inflation adjustment to the recorded cost of the asset. 2. A calculation involving an inflation adjustment for the acquisition cost of a recently acquired asset with an identical asset type, comparable size, quality and capacity, in the same geographical location. 3. In the absence of acquisition cost data, the FWS Acquisition and Replacement Cost Estimate Worksheet (p. 140) is used, and the engineering estimates of materials, supplies and labor required in replacing an asset at existing size and functional capability are calculated.

Asset Type	This field displays the asset type selected from the DOI list. See *Appendix 2: DOI Standard Asset List and Definitions***,** 123. An asset type change may indicate a change in the life cycle accumulated and forward depreciation treatment. The field office can enter the field initially and RO can modify this field.
Property Description	An accurate description of the property is expected. This description needs to be complete and concise so that the field station personnel can locate it. The space limitation is 200 characters. If there are two facility types, for example, a dike with a water control structure, there must be two records. However, if the water control structure cost less than $5,000, then it must be mentioned in the Property Description field and a note placed in the Station Notes field stating that the asset is below $5,000. The category section needs to have accurate measurement data in the RPI database.
Mark for Delete	The asset is determined to be removed from the RPI. Example: Enter "Yes" or "No". ☞ Stations and Regions may not delete records of disposed property. If property has been disposed, mark the record for deletion and provide an explanation. The Washington office will delete the record.
Delete Reason	An explanation is required for each asset marked for deletion from the RPI.
Asset Num	Service Asset Maintenance Management System (SAMMS) asset number. An asset number is assigned to a particular real property item owned or leased directly (not through GSA) by the Service. Property number will not be reused after disposal of an item. Each new property record receives the next available property number assigned by the database. New construction projects should have an asset number assigned at the beginning of construction. ☞ A subasset number appended to the asset number indicates a capitalized improvement and signals the Regional BFO and FC to complete an analysis regarding the treatment for depreciation. Subasset numbers are automatically assigned by the database.
Acquisition Type	One of the following acquisition types must be used with supporting documentation: • Constructed • Donated • Donated with land • Exchanged • Federal transfer with NBV below capitalization threshold • Jointly funded • Leased • Leasehold improvement • Purchased • Purchased with land • Service managed not Service owned • Transferred from Federal entity • Transferred from Federal entity with land • Withdrawn

Acquisition Date (mm/dd/yyyy)	Acquisition date is when the asset was actually acquired and/or placed in service by the Service with supporting documentation. This format is month/day/year. (mm/dd/yyyy). The following documentation is authorized: • Constructed by the Service with engineering assistance – Final Construction Progress Report (CPR). • Constructed by a contractor – Final Constructed Progress Report (if not available, use final payment to contractor date). • Force Account – Use the placed in service date, and provide in the Station Note field a narrative with the actual date annotated. • Transferred from Federal entity – Use the date identified in the Federal Register, the date in the transferring document received at the Regional realty office, or the date of the transferring agency documents. • Purchased with Land – The Purchased with Land date is when the final deed is signed. This can be obtained from realty. • Purchased – The Purchased date is when the final payment for the purchase was made. If assets are identified and can not be located in the RPI, contact the FMC for assistance.
Construction Year	This field displays the year the Service asset was constructed, regardless of who built the asset. When assets were constructed by or for the Service, the acquisition date should be consistent with the construction year. For a donation, the date should be the approximate year the asset was constructed. The field station can enter the field originally and RO can modify this field. Enter the four-digit year of the construction that can be supported with documentation. Documentation may include contracts, invoices, payments, construction acceptance reports, dated photographs, newspaper articles, dated maps, etc. If no construction year information can be found, a “0” must be entered.
Construction Material	Primary construction material used for the asset may include asphalt, concrete, earth, gravel, masonry, metal, wood, or other. If "Other" is used, annotate the materials used in the property description. Example: concrete.
USEFULLIFE	The USEFULLIFE field displays the period of time over which an asset is expected to remain economically functional.
USEFULLIFE Calc	For new assets, USEFULLIFE is calculated based on asset type. For used assets or improvements, the Regional BFO needs to provide a unique estimate.
AcqCost	The AcqCost field displays the cost for the Service to purchase, construct, or acquire the asset. All newly added assets must have an acquisition cost. This field affects the depreciation of property and is an auditable transaction. The field should never be zero (0). If an asset is not capitalized because it meets stewardship or other exclusion criteria, then the field should be left blank and the exclusion justification provided. If an asset is donated, use the Fair Market Value (FMV) data field indicating the FMV when the Service originally obtained the asset. If the asset is transferred from another Federal agency, use the Net Book Value (NBV) data field indicating transferring agency’s NBV at the time of transfer. RO can enter and modify the field.

ImproveCost

The ImproveCost field displays the cost of any addition or improvement of an existing asset that exceeds the capitalization threshold and either extends the useful life of the asset, enlarges, or improves its capacity. This RPI data field contains data only when an improvement to an asset should be capitalized. The cost of the addition or improvement should be capitalized and depreciated/amortized over the remaining useful life of the asset. The impact of an addition or improvement on the asset's useful life (if any) should be estimated, and the remaining useful life extended as appropriate. In situations where it is difficult to estimate the impact of the improvement on the associated asset, or the asset is substantially or fully depreciated, the improvement may be depreciated over a standard period, which equals to 1/2 (half) of the estimated useful life for that asset type.

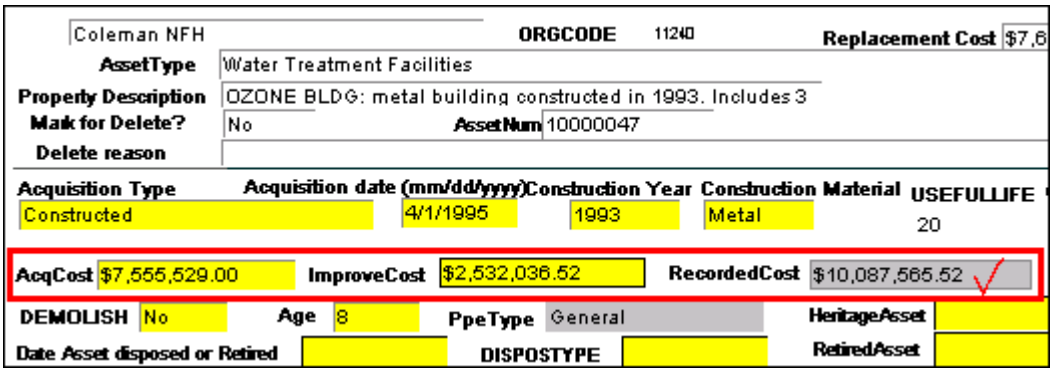
If the improvement does not meet the capitalization threshold for that property type, it should be expensed in the period the improvement cost was incurred. An example of an appropriate improvement cost is expanding an existing building, such as adding a wing. Rather than issuing a new asset number for a capitalized improvement cost, a subasset number should be appended to the asset number. The subasset number signals the Regional BFO and FC to complete an analysis regarding the treatment for depreciation. Expenditures relating to an asset that do not extend the useful life or increase the capacity of the asset should not be capitalized regardless of whether the cost meets the capitalization threshold. RO can enter and modify this field.

RecordedCost

The recorded cost of a capitalized asset is the cost or value recognized for financial reporting purposes. It is determined based on the method of acquisition, as well as ancillary costs incurred to bring the property to a form and location suitable for its intended use. For assets donated to the Service, the recorded cost is the fair market value of the asset at the time of transfer. For assets transferred to the Service from other Federal agencies, the recorded cost is the NBV of the asset at the time of transfer.

The RecordedCost field automatically calculates the total of the acquisition cost or FMV/NBV plus improvement costs. Recorded cost should include ancillary costs such as transportation charges to the point of initial use, handling and storage costs, and legal and recording fees.

☞ If an asset is not capitalized because it meets stewardship or other exclusion criteria, then the field should be left blank and the appropriate exclusion justification provided in the Capitalize Exclude field. This field is automatically calculated.



DEMOLISH

The Demolish field indicates an asset has no functional use and should be demolished.

Age

For assets constructed, purchased or acquired via donation or transfer during FY 1998 or later, it is assumed that adequate documentation of the asset's acquisition date is available in Service records. If documentation for an asset acquired prior to FY1998 does not exist, an estimate of the year the asset was acquired may be developed. The estimate can take the form of:

- A certification from a field station manager or other site staff who have direct knowledge of the acquisition year;
- An engineer's professional estimate and certification of the age of the asset; or
- A third party engineering firm's professional estimate and certification of the age of the asset.

Newly discovered assets that only have estimates of their acquisition year are assumed to be placed in service on April 1 (the fiscal year midpoint) of that year. Although acquisition year documentation should be present for all assets, it is impractical to develop estimates for all assets. The degree of confidence required for acquisition year estimates decreases as the asset reaches and passes its useful life. An asset that is readily recognized as more than 50% beyond its estimated useful life (e.g. an asset with a 10-year depreciable life is readily recognized as at least 15 years old) requires no estimate of acquisition year. For these assets, an attestation by a knowledgeable official as to the asset's approximate age will suffice.

PPE Type

The PPE field indicates either general or stewardship PP&E type. General PP&E consists of tangible assets that meet all of the following criteria:

1. Has an estimated useful life of 2 years or more,
2. Is not intended for sale in the normal course of operations,
3. Is acquired or built with the intention of being used by the Service,
4. Has an acquisition cost, or when applicable, a NBV or FMV that exceeds the applicable Service capitalization threshold, and
5. Does not qualify as a stewardship asset.

A stewardship asset can be a heritage asset, stewardship land, or an asset acquired incidental to a stewardship land acquisition. Heritage assets are unique because of their historical or natural significance, cultural, education or artistic importance, or significant architectural characteristics. Heritage assets are expected to be preserved indefinitely. Stewardship land is land not acquired for, or in connection with, general PP&E. It includes all land, land rights, and improvements to land in the NWRS and NFHS other than that used for the construction of general PP&E (e.g., administrative buildings). The field is automatically populated. See *Stewardship Assets*, 63.

Heritage Asset

Heritage assets include plant, property, and equipment that are unique because of their historical, natural, cultural, educational or artistic significance, and are expected to be preserved indefinitely. Heritage assets of historical significance include buildings and structures listed in the National Register of Historic Places, or those designated or proposed as candidates for inclusion in the Register. Example: Enter "Yes" or "No".

Date Asset Disposed or Retired

The Data Asset Disposed or Retired field displays the property disposal date in mm/dd/yyyy format from the DI 103A. Effective 04/01/2004, all data previously entered into the Disposal Year field will be systematically converted to the date format. RO can enter and modify this field. Example: 06/28/2004.

DISPOSTYPE

The DISPOSTYPE field displays the method by which the property was disposed. Examples of disposal types include: bid sale, exchange, revocation of withdrawal, transfer to nonFederal, transfer to Federal, and demolish.

Retired Asset

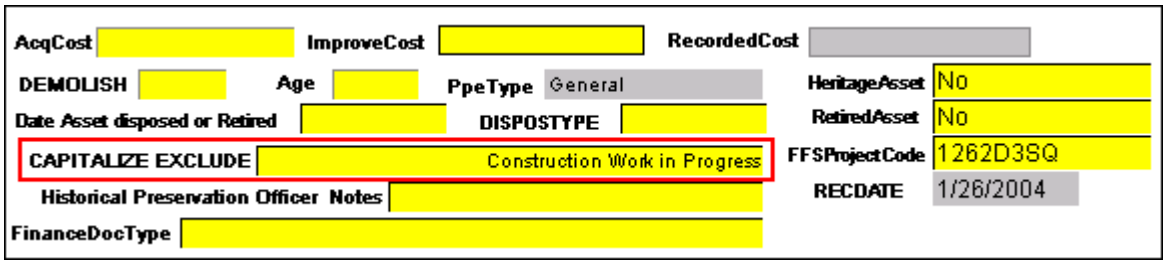
The Retired Asset field indicates an asset has no functional use and should be retired from service. A retired asset is an asset that is no longer used in Service operations but has not been destroyed or otherwise disposed and may be bought back into use. RO can enter and modify this field. Example: Enter "Yes" or "No".

CAPITALIZE EXCLUDE	The RPI data field that indicates the application of 13 accounting filters specifying the appropriate reason an item is not capitalized. RO can enter and modify this field. See *B. Capitalized Exclusion Definitions*, 29.
FFS Project Code	Federal Financial System (FFS) project code. The Washington Office, Division of Engineering assigns FFS project codes for all construction appropriation projects such as construction, storm damage construction, and hazardous materials projects. The Regional offices program staffs assign FFS project codes to all resource management projects, such as deferred maintenance. Example: Project code number - 1262D3SQ. To learn more about FFS project codes, go to *5B. FFS Project Numbers and Capitalized Project List (CPL)*, 68.
Historical Preservation Officer Notes	Note area for the Historic Preservation Officer (HPO).
RECDATE	The date the asset was recorded in the RPI.
FinanceDoc Type	Indicates the type of financial documentation provided to support the value of the asset. Examples include appraisal, construction contract, and memorandum of understanding.

B. Capitalized Exclusion Definitions

Introduction
Real property assets excluded from capitalization

Real property assets may be entered into the RPI but not be capitalized. The following conditions determine when real property assets are appropriately excluded from capitalization. For assets that qualify for exclusion, The "Capitalized Exclude" data field in the RPI must only contain values listed in the drop down value list.



POLICY and GUIDANCE
The conditions for capitalized exclusion

The following conditions explains how to exclude real property assets from capitalization:

1.	**Construction work-in-progress**	Assets that have not yet been completed and not available for service are categorized separately for financial reporting purposes. They should be identified in the RPI as excluded from capitalization until they are placed in service.
2.	**Does not meet capitalization threshold**	Assets with a total acquisition cost less than the Service's capitalization threshold are excluded from capitalization. Additions and improvements with improvement costs less than the capitalization threshold are also excluded from capitalization. Beginning in FY 2004, the threshold is $100,000 or $100,000 per mile for roads; prior to FY 2004, the threshold is $50,000. Assets transferred from another Federal agency having an NBV at the time of transfer less than the Service's capitalization threshold are excluded from capitalization.
3.	**Federal transfer with Net Book Value below capitalization threshold**	Assets transferred from another Federal agency having a Net Book Value at the time of transfer less than the Service's capitalization threshold are excluded from capitalization.
4.	**Heritage asset historical**	Assets that are unique because of their historical, natural, cultural, educational or artistic significance, and, are expected to be preserved indefinitely are excluded from capitalization. Heritage assets include assets that are national Historic Landmarks, listed in the National Register of Historic Places (NRHP), or eligible for listing in the NRHP.
5.	**Incidental to land purchase – less than 15%**	If assets are separately identified in a stewardship land purchase appraisal and, according to the appraisal, the value assigned to the asset is less than 15% of the total amount of the land purchase, the asset is considered incidental to the land purchase.
6.	**Incidental to land purchase – roads**	Any road or bridge that is part of a land purchase is considered incidental to the land purchase.
7.	**Incidental to land purchase – no separate appraisal**	If assets are on stewardship land and are purchased by the Service but they are not separately identified in the appraisal, they are considered incidental to the land purchase.

8.	**Newly discovered asset not required to be capitalized**	Newly discovered assets that do not meet the applicable criteria for financial reporting are excluded from capitalization. See *F. Newly Discovered Assets,* 91.
9.	**Assets not used in FWS operations**	Assets that are not now and will not be used in Service operations are excluded from capitalization. These are entered into the RPI to secure demolition funding.
10.	**Permanent improvements to stewardship land**	The following assets are considered to be permanent improvements to stewardship land and therefore, are not capitalized: dirt roads, low hazard dams, levees/dikes, canals, drainage ditches, nesting islands, water impoundments, unpaved trails and beaches.
11.	**FWS asset retired not yet demolished or disposed**	Retired assets and assets that have been designated to be demolished or disposed of in any other fashion are excluded from capitalization.
12.	**Service managed not Service owned**	Assets that are used by the Service but are not legally owned by the Service are excluded from capitalization. These are assets that are entered into the RPI to secure MMS maintenance funding. ☞ Capitalized leases are considered Service owned, and should be capitalized.
13.	**Signs – do not capitalize**	Signs are, by Service policy, excluded from capitalization.

POLICY and GUIDANCE
The circumstances for having Acquisition Cost blank or $0

Acquisition cost should be left blank or $0 under the following conditions:

	Exclusion Reason	Acquisition Cost Field
1.	**Construction Work in Process**	Blank
2.	**Does not meet capitalization threshold**	Dollar value of Acquisition (for current year entries, including those under $100,000)
3.	**Federal transfer with NBV below capitalization threshold**	For non-DOI agencies enter NBV. For DOI agencies enter original Acquisition cost and notify FC of Accumulated depreciation.
4.	**Heritage asset historical**	Blank
5.	**Incidental to land purchase**	Blank
6.	**Incidental to land purchase**	Blank
7.	**Incidental to land purchase – no separate appraisal**	Blank
8.	**Newly discovered not required to be capitalized**	Blank (if this threshold is exceeded, enter the acquisition cost).
9.	**Asset not used in FWS operations**	Blank
10.	**Permanent Improvements to stewardship land**	Acquisition cost after October 1, 2003
11.	**FWS asset retired not yet demolished**	Blank
12.	**Service managed not Service owned**	Blank

C. Components of Recorded Cost

Introduction
Recorded cost

The recorded costs of Service real property assets include all acquisition costs paid for the property, the value of other assets surrendered to obtain the property, all other costs incurred to bring the property into operating order at the desired location, and subsequent improvements to the property. The following areas are covered in this section:

1. Transferred Assets
2. Engineering Costs

POLICY
Components of recorded cost

Costs directly related to the acquisition or construction of a real property asset may be generally categorized as follows:

Direct Materials	Materials that are purchased specifically for use to construct or otherwise prepare an asset for use. An example is lumber purchased in accordance with detailed plans for building a shed. Materials purchased in small quantities and used on an as needed basis are not included in recorded cost. Examples include gravel and lumber purchased in relatively small quantities (i.e. one or two truckloads). However, large bulk purchases may require special accounting treatment. The purchase of materials exceeding $100,000 without a specific project identified should be reviewed with the BFO for possible classification as inventory. ☞One suggested reporting aid for these costs is *FFS Report FW 61001, Selected Project Status Report* and *FW 31801 Project Obligations Transaction Report*. Note: Donated materials should be charged to jobs at their recorded or fair market value.
Direct Labor	Direct labor includes the payroll cost of construction workers, field supervisors, and others who charge time directly to projects. The payroll should include wages as well as all payroll related costs, for example, payroll taxes and fringe benefits, such as health insurance, retirement plans, and leave. A time sheet system capturing direct labor hours per project is the common and recommended method of accounting for direct labor. ☞One suggested aid is the *FFS Report FW 61001*, *Selected Projects Status Report* as well as the *FFS Report FW 31801, Project Obligations Transaction Report*.
Contractor Costs	Amounts paid to contractors, subcontractors and other vendors, including fees.
Engineering Costs	Engineering costs include the cost of engineering support services performed by the Regional Engineering Offices or the Division of Engineering. They also include engineering, architectural, and other outside services for designs, plans, specifications, and surveys. For all capitalized assets constructed after September 30, 2003, the actual costs of engineering work should be tracked and recorded for each project. An indirect rate may not be used to apply engineering costs to the cost of an asset. See *C2. Engineering Costs – The Use of Indirect Rate*, 34.
Other Costs	Any costs that are directly related to the construction or acquisition of an asset, including: • Short term equipment rentals • Travel costs directly related to a project • The cost of any equipment purchased solely for use on a construction project. The cost of using Service owned assets is generally considered immaterial to the cost of a real property asset. However, if bulldozers or other heavy equipment are used extensively on a project, an appropriate share of their cost may be applied to the cost of the asset. BFOs should be

	contacted if equipment with acquisition costs of more than $200,000 is used exclusively for a Service construction project for 6 months or longer. • Fixed equipment (e.g., heating systems, elevators) and related costs of installation required for activities in a building or facility; • Direct costs of inspection, supervision, and administration of construction contracts and construction work
Indirect Costs	FASAB standards State that indirect production costs relating to constructed assets should be included in their cost. For assets constructed by the Service, indirect production costs are considered to be immaterial to the cost of the assets. Examples of indirect costs are RO and WO administrative support costs.

GUIDANCE
Methods of acquisition

The recorded cost of a capitalized asset is determined based on the method of acquisition and ancillary costs incurred to bring the property to a form and location suitable for its intended use by the Service.

POLICY
Methods of acquisition

The elements of recorded cost for the various methods of acquisition include:

1. Constructed
2. Donated
3. Donated with land
4. Exchanged
5. Jointly funded
6. Leased
7. Leasehold improvement
8. Purchased
9. Purchased with land
10. Service managed not Service owned
11. Transferred from Federal entity
12. Transferred from Federal entity with land
13. Withdrawn

GUIDANCE
Elements of recorded cost

The elements of recorded cost applicable for each method of acquisition are as follows:

Method of Acquisition	Recorded Cost Element
Service managed not Service owned	The Service managed not Service owned assets are owned by another entity, but used in Service operations. These assets are included in the RPI for maintenance purposes, but are excluded from capitalization because they are not owned by the Service. To meet this definition, the field station must have authorized a formal agreement between the two entities acknowledging responsibility for maintenance and repairs. If a formal written agreement is not in place, such as an MOU or MOA, the asset should not be entered into the RPI.
Purchased PP&E (new or used)	Amount paid to outside parties (private, commercial).
Constructed PP&E	Direct cost incurred to construct the property, including costs for project design, labor, material, work by contractors, and demolition of existing structures required to prepare the site for construction.
Donated PP&E	The estimated fair market value at the time the asset is acquired by the Service. ☞ Donated PP&E includes transfers from State and local governments, Indian tribes, etc.
Capital leases	The amount recorded liability for the capital lease at its inception. See *B. Capital Leases*, 109.
Leasehold improvements	The amount paid to third parties plus direct labor and other costs directly related to the improvement.

Transferred PP&E from another Federal agency	The cost recorded in the transferring agency's accounting records, net of accumulated depreciation. (In cases where the Service cannot reasonably obtain this information, the NBV will be estimated by the Service if sufficient information is available.) If the NBV cannot be determined, the recorded cost is its fair market value at the time of transfer.
Exchanged PP&E (with nonFederal entities)	The fair market value of the PP&E surrendered and received at the time of exchange. However, if the fair market value of the asset acquired is more readily available, that value may be used. If the fair market value of either asset is not determinable, then the NBV of the asset surrendered should be used to record the cost of the PP&E acquired. If there is cash consideration paid or received as part of the exchange, the recorded cost of the asset should be increased (if cash paid) or decreased (if cash received) as appropriate.
Withdrawals	When land is withdrawn from the public domain it may contain real property assets such as buildings. Withdrawn land never loses its withdrawn status. Because BLM controls all government-owned public domain land, contact should be made with BLM to determine the NBV of the withdrawn asset(s). If the withdrawn land is retransferred to FWS from another agency, the NBV should be obtained from that agency. If the secondary agency did not record the asset on their balance sheet, BLM may be an alternative source for NBV.
Jointly funded	Jointly Funded assets are built for the Service using a combination of Federal funding (Service or other) and nonFederal funding sources to pay for construction and/or purchase costs. The recorded cost of these assets must be an approximation of FMV.

1. Transferred Assets

POLICY
Transferred assets

Transfers of real property assets occur only between Federal agencies. In accordance with the *Federal Property Management Regulations, 41 CFR 102-75*, transfers of real property must be made only under the authority of the *Federal Property and Administrative Services Act of 1949* and the *Base Closure Realignment Act*. Before real property can be transferred, the General Services Administration (GSA) must determine that:

1. The transfer is in the best interest of the Government,
2. The requesting agency is the appropriate agency to hold the property, and
3. The proposed land use will maximize use of the real property.

☞ Transfers require special accounting treatment in order for government-wide financial reports not to show artificial gains or losses relating to the transfers. Assets received from the public or State, local and tribal governments are considered donations.

GUIDANCE
Transferred assets TO the Service without reimbursement

In accordance with the *Federal Property Management Regulations, 41 CFR 102-75.205*, transfers may be made without reimbursement by the gaining agencies only if:

1. Congress has specifically authorized the transfer without reimbursement, or
2. The administrator of GSA, with the approval of the director of OMB, has approved a request for an exception from the reimbursement requirement.

The Secretary of Interior must endorse requests for exceptions. For non-DOI agencies the recorded cost of the transferred asset is the NBV on the transferring agency's books at the time of transfer. If the NBV cannot be reasonably determined, the Regional BFO should obtain the original cost and construction year to compute the NBV. If that information is not available, the FMV should be determined. Lastly, the FWS Acquisition and Replacement Cost Estimate Worksheet may be used. See *Appendix 4*, 1409.

For DOI agencies, the BFO should obtain and provide to the FC, the original acquisition cost and the accumulated depreciation for elimination purposes.

Since there are no appraisals for transferred assets, the FMV would approximate the construction cost including profit. The FWS Acquisition and Replacement Cost Estimate Worksheet can be used to calculate the discounted engineering estimate, which equates to construction cost including profit. If the NBV is less than the capitalization threshold, it will be recognized as an expense in the period the asset is received.

GUIDANCE
Transferred assets FROM the Service without reimbursement

Real property assets transferred from the Service to another Federal agency are accounted for as disposals with no gain or loss recognized. The Service is required to notify the receiving agency of the asset's NBV at the time of the transfer.

GUIDANCE
Transferred assets TO or FROM the Service with reimbursement

Real property transferred to or from the Service with reimbursement for the value of the property is recorded at the amount of reimbursement to the transferor plus all associated incidental costs.

☞ Incidental payments/costs associated with the transfer, including documentation, transfer fees, etc., are not to be considered as part of the reimbursement for the **value of the asset**, rather, they are to be included in the cost of the asset recorded by the recipient.

2. Engineering Costs

POLICY
Project specific accounting for engineering costs

A project specific accounting policy is crucial to ensuring that accurate, timely, and consistent financial information relating to real property assets is recorded in the Service's financial system. Application of the policy also allows for successful implementation of comprehensive corrective action plans to ensure appropriate recording of actual charges to deferred maintenance and construction projects.

GUIDANCE
The use of indirect rate

An indirect engineering cost rate **may be used** to estimate engineering support services costs relating to a recently discovered asset if the asset does not meet stewardship or other exclusion criteria. For guidance on how to complete the RPI financial page, see *D. Newly Discovered Assets*, 91.

An indirect engineering cost rate **may also be used** as a tool during budget formulation to allocate estimated engineering costs to planned projects. This formulation and allocation does not impact the RPI data fields or financial Statement information.

An indirect engineering cost rate **may not be used** to apply engineering costs to the recorded cost of an asset constructed by or for the Service. For all capitalized assets constructed after September 30, 2003, the actual costs of engineering work should be tracked and recorded for each project.

GUIDANCE

Project cost accounting requirements

Project specific cost accounting in the FFS has been required by Service policy since 2000 as outlined in the March 8, 2000 memorandum: *Tracking Maintenance Expenditures by Category and Individual Project, Appendix 3*, 133. Project cost accounting for capitalized projects allows field, Regional, and Washington Offices to identify and analyze obligations and expenditures in the annual maintenance, equipment replacement, construction of new assets, and deferred maintenance categories. It also allows proper cost treatment in Service financial Statements.

A unique FFS project number is required for deferred maintenance projects not funded by the construction appropriation expected to exceed the capitalization threshold. Costs include but are not limited to payroll, travel, architect and engineer fees, construction contracts, and other related expenses. In addition, FFS has required all documents obligating 1262 and 1313 to contain a proper FFS project code since 2001 as outlined in the September 14, 2000 Memo: *Mandatory Use of MMS Project Codes on Obligation Documents, Appendix 3*, 133.

☞ For all Service assets constructed after September 30, 2003 this project costing policy is extended to all capitalized projects regardless of funding source where FFS has the flexibility to assign project codes.

PROCEDURE

How to assign project numbers

A project number consists of four alpha-numeric characters as follows:

Step	Action
1	Project numbers with the letter A in the first position track all annual maintenance expenditures.
2	The second position will be the Regional number.
3	The two characters in the third and fourth position are unique to each field station. The Region must assign these two characters. ☞ The Regions are free to use any combination of letters or numbers as necessary so that each station has a unique project identified and none are repeated.
4	Equipment replacement expenditures will follow the same procedure with the letter B in the first positions of the project number. The project number for deferred maintenance projects expected to be less than the capitalization threshold will begin with the letter D.
5	These station specific project numbers will remain the same for each year.

All deferred maintenance projects equaling or exceeding the tracking threshold of $50,000 are individually tracked by a project number.

Step	Action
1	The first position of the project number must begin with the Region number.
2	The second position of the project number is the last digit of the fiscal year. Example: 2004=4.
3	The Regions assign the remaining three positions with each project having a unique number and none are repeated. ☞ These project numbers must be established with the assistance of the Regional MMS coordinators to ensure that each project number can be included in the MMS system.
4.	DEN assigns construction FFS project numbers.

The following examples show how FFS project numbers are assigned.

EXAMPLE
How to assign FFS project numbers

Any two characters can be used for the station identifier in the project number for annual, equipment and deferred as long as it is unique.

Annual Maintenance	Regardless of project size, enter into FFS using the organization code, subactivity and project number unique to that field station. Example: 11614-1262-**A1TL** (A = annual maintenance, 1 = Region number, TL = station identifier)
Equipment Replacement	Regardless of project size, enter into FFS using the organization code, subactivity and project number unique to that field station. Example: 21749-1313-**B2F8** (B = equipment replacement, 2 = Region number, F8 = station identifier)
Deferred Maintenance Projects Less than $50,000	Enter into FFS using organization code, subactivity, and project number unique to that field station. Example: 61670-1262-**D618** (D = deferred maintenance < $49,999, 6 = Region number, 18 = station identifier)
Deferred Maintenance $50,000 or above	Enter into FFS using organization code, subactivity, and project number unique to that MMS project. Example: 61670-1313-**6098** (6 = Region number, 098 = project specific number)
Heavy Equipment	Heavy equipment in excess of $50,000, enter into FFS using “H” then Region. The last two digits are the station identifier. Example: 61670-1313-**H645** (H = heavy equipment, 6 = Region number, 45 – unique identifier)
Rental Equipment	Enter into FFS using “R” then Region. The last two digits are assigned by the Region. Example: 61670-1313-**R615** (R = rental equipment, 6 = Region number, 15 = identifier assigned by the Region)

D. Changes to Existing Assets

Introduction
Changes to existing assets

The following types of changes to financial information in the RPI can impact the Service's financial reports:

- Acquisition Cost or Improvement Cost
- Acquisition Date
- Asset Type
- Acquisition Type

☞ Some types of changes to these data fields could impact whether an asset is considered a stewardship asset, which is not reported as an asset on our financial Statements. For other than stewardship assets, changes could impact the cost and/or accumulated depreciation of PP&E reported by the Service.

POLICY
Causes of financial adjustments

The primary causes of financial adjustments include:

- Corrections to acquisition costs and dates from condition assessments and quality assurance reviews.
- Decisions to reclassify the type of assets according to DOI asset code.
- Newly identified improvements to existing assets.
- Corrections to RPI data caused when records are corrupted and/or for other technical reasons contain erroneous information.

☞ The changes to existing assets addressed in this section do not include changes resulting from lumping/splitting exercises. See *A.1. Asset Lumping and Splitting Guidance*, 82.

PROCEDURE
What to do when the **acquisition cost** of an existing asset is missing or incorrect

If the correct acquisition cost is not known, the same acquisition cost materiality thresholds that apply for newly discovered assets should also be used for existing assets with missing, incorrect, or undocumented acquisition cost. See *D. Newly Discovered Assets*, 91.

If	Then
The correct acquisition cost can be determined, adequately documented, and represents a change of at least $50,000 from the acquisition cost previously recorded in the RPI,	It should replace the previous cost.
Correct acquisition cost cannot be determined and adequately documented, and the asset is beyond its useful life.	Perform steps listed in Section 6D for determining acquisition cost of newly discovered assets. If the correct acquisition cost meets any of the materiality thresholds established in *C. Disposals and Retirements*, 89, and represents a change of at least $50,000 from the previously recorded acquisition cost, it should replace the previous cost.

PROCEDURE
What to do when the **acquisition date** of an existing asset is missing or incorrect

The same procedures applicable to newly discovered assets should also be used to determine the acquisition dates for existing assets with missing or undocumented dates. Once the correct acquisition date is determined, the following tests should be applied:

If	Then
The asset is fully depreciated, and the correct acquisition date also places the asset beyond its estimated useful life,	The correct acquisition date should be entered in the RPI by the Regional BFO. ☞ The change will have no impact on the Service's financial Statements.
The asset is not fully depreciated, or if the correct acquisition date places the asset within its estimated useful life,	The correct acquisition date should be entered in the RPI by the Regional BFO and the Finance Center (FC) notified if it differs from the existing date by more than 1 year. Accounting adjustment will be made if the net impact of the change exceeds $50,000. For example, a $300,000 building with a 20-year estimated useful life was found to have an incorrect acquisition date of April 1, 1980, and was fully depreciated. A review of records in March 2004 found that the building actually was built in 1990, meaning that at the time the error was discovered, the asset actually had 6 years of useful life remaining. An adjustment would be made in the accounting records because the total impact of the change was to restore $90,000 to the asset's NBV.

PROCEDURE
What to do when the **acquisition type** of an existing asset is missing or incorrect

In all cases the correct acquisition type should be appropriately documented before being entered in the RPI.

If	Then
The correct acquisition type is a transfer,	The acquisition cost should be checked to confirm that it represents the NBV of the asset at the time of transfer.
The correct acquisition type is a donation,	The acquisition cost should be checked to confirm that it represents the fair market value of the asset at the time of the donation.

PROCEDURE
What to do when an asset type of the existing asset is missing or incorrect

In all cases, the correct asset type should be entered in the RPI.

If	Then
The change in asset type results in the asset being removed from stewardship asset status, and the correct acquisition cost, acquisition date, and acquisition type are known and adequately supported with documentation,	The correct information should be entered in the RPI.
The correct acquisition cost, acquisition date, and/or acquisition type is not known and supported with documentation,	The asset should be treated as a newly discovered asset for financial reporting purposes.

Example

If	Then
An asset previously designated as a low hazard dam (considered a permanent improvement to stewardship land) is actually a high hazard dam,	The various materiality tests described in the newly discovered assets section would be applied to determine if the cost of the dam should be recorded in the RPI.

E. Capitalization Criteria

Introduction
Capitalization criteria for general PP&E

In general, the following types of assets are considered real property subject to the Service's capitalization criteria:

- Bridges
- Buildings
- Building Improvements and Renovations
- Construction Work in Progress
- Land and Land Rights
- Land Improvements
- Leasehold Improvements
- Other Structures and Facilities
- Roads
- Utility Systems

POLICY
Capitalization criteria for general PP&E

The minimum capitalization thresholds vary by type of Service asset as follows:

FY2003 – For real property, the capitalization threshold is $50,000 for assets placed in service during FY 2003 or earlier, and $50,000 for road projects.

FY2004 - Beginning in FY 2004, the threshold is raised to $100,000 for assets, For roads, the capitalization threshold is $100,000 per mile.

☞ Service capitalized assets are those individual assets other than stewardship assets with an estimated useful life of 2 or more years that have acquisition or recorded costs greater than or equal to the applicable capitalization threshold. Items that could stand alone and are severable (e.g., parking lots) should be subjected to the capitalization criteria. Items that are components of a larger structure and are not severable from that structure (e.g., a building's heating system) should be considered in the aggregate.

F. Real Property Project Cost

INTRODUCTION
Real Property Project Cost

Generally costs incurred after an asset has been acquired are classified as either improvements or repairs and maintenance. Improvements include additions, component upgrades, and renovations.

1. Improvements

POLICY
Improvement

Improvements are modifications to existing real property, including additions, capitalized replacements, and renovations that

- Extend its useful life by 2 years or more, or
- Improve its capacity or otherwise upgrade it to serve the needs different from, or significantly greater than, those originally intended.

If the cost of an improvement to an asset other than a stewardship asset meets or exceeds the capitalization threshold, it must be capitalized. Improvement costs include force account and ancillary costs. Improvements to Stewardship assets are reported but not capitalized on the balance sheet.

GUIDANCE
Additions as improvement

Additions are improvements that involve adding a new significant component to an existing asset. For example, the construction of a new wing on a building. Rather than create a new asset record for an addition, a subasset record will be created by the BFO. The subasset record will signal the Regional BFO and FC to complete an analysis of capital improvements regarding the treatment for depreciation.

GUIDANCE
Capitalized cost for additions

Capitalized cost for additions includes all necessary expenditures to bring the addition to a condition and location suitable for use. For a building addition, this might include the costs of tearing down and removing a wall of the existing building. For a road, if an asphalt overlay is added to an existing gravel roadbed, the asphalt costs would be identified with a subasset record. Additions that cost less than $100,000 are expensed.

EXAMPLE
Difference between improvements and repairs

Improvements involve the replacement or addition of a major component of an operational asset that results in an increase to operational capability. For example, replacing asphalt shingles with slate shingles upgrades the building by reducing future roof repair costs and possibly extending the life of the building and should be capitalized if it exceeds the capitalization threshold.

In contrast, a repair can be an in-kind replacement of a new component with essentially the same characteristics as the old component. For example, replacing an existing asphalt shingle roof on a building with upgraded asphalt shingles probably does not have a significant impact on the capacity or useful life of the building. Likewise, in-kind replacement of an HVAC does not appreciably increase its capability, or replacement of an elevator with another more modern elevator does not appreciably upgrade the building. Also, adding gravel to an existing gravel roadbed or periodic asphalt overcoat to an existing asphalt overlay does not impact the overall capacity or life of the road. All of these would be replacements or repairs of components of the underlying asset and would not be capitalized.

☞ At times there is a fine line between what is considered a repair versus an improvement. Unless the modification clearly results in a significant upgrade to the underlying asset, it should be considered a repair.

GUIDANCE
Capitalized renovations

Costs incurred to restructure an asset, without addition or replacement, are considered renovations. The intent of a renovation is to create a new capability for the asset. Examples include the renovation of fish production equipment inside of a hatchery building to increase operational efficiency, conversion of a storage building to an environmental education center, or the relocation of the buildings.

As with other types of improvements, if renovations are material of more than $100,000 and clearly increase future benefits, they should be capitalized. If the expenditures are not material or if it is not certain that future benefits have increased, the renovation is not capitalized.

2. Maintenance and Repairs

GUIDANCE
Maintenance and repairs

Repair and maintenance costs are made to maintain a given level of benefits provided by the asset and do not increase the capacity or extend the useful life of the asset. For example, the cost to repair a damaged roof on a building or the cost of regular maintenance allows the building to continue its productive activity. If the maintenance is not performed, the building will not provide the benefits originally anticipated. The key is that future benefits are not provided beyond those originally anticipated.

☞ Expenditures for repair and maintenance activities should be expensed in the period incurred. These costs are expensed even if they exceed the $100,000 capitalization threshold.

EXAMPLE
Maintenance and repairs

Bringing a building back to usefulness after a storm is maintenance. However, if the storm destroyed a major portion of the building, and the building is going to be replaced, the asset should be marked for deletion and a new asset number created.